



Board of Trustees Minutes

July 20, 2016 at 12:00 pm

Board Members Attending: David Damschen, John Lunt, David Nixon, Kent Misener, and Duane Madsen.

Others Attending: Peter Madsen, SITFO; Allen Rollo, Treasurer's Office; Kirt Slauch, Treasurer's Office; Michael Green, Utah AG; Natalie Gordon, USBE – SCT; Ryan Kulig, SITFO; Nathan Barnard, SITFO; David Center, FEG; Paula Plant, USBE – SCT; Margaret Bird, Univ. of Utah, USU, MH, SM, NS; Bryan Nalder, Utah AG; Tim Donaldson, USBE – SCT; Jonathan Kowolik, RVK Inc.; Kim Cash, RVK Inc.; Andrew Fairbanks, SITFO.

1. Call Meeting to Order

Mr. Damschen called meeting to order.

2. Administrative

- a. **Approval of minutes** – Mr. Lunt made the motion to approve the minutes, Mr. Duane Madsen seconded the motion. Mr. Damschen, Mr. Nixon and Mr. Misener voted in favor and the motion passed unanimously.

Record of vote:

Mr. Damschen: Yes

Mr. Lunt: Yes

Mr. Nixon: Yes

Mr. Misener: Abstained as he was not present at the referenced meeting.

Mr. Duane Madsen: Yes

- b. **Work plan** – Mr. Peter Madsen reviewed the work plan with the Board. He noted the importance of expediently choosing a custodian.
- c. **Policies update** – Mr. Kulig presented the updated soft dollar policy, including the suggested corrections to the language of the document. Mr. Peter Madsen suggested that some language be introduced to the policy to allow for necessary flexibility in the soft dollar policy. Mr. Green advised on the specific language that would be appropriate for the policy. The staff took note of the language to be included in the final document. Mr. Kulig also reviewed the Code of Conduct and Compliance policy. Mr. Green suggested the inclusion of additional language regarding a cited policy, and stated that

he would provide said language. Mr. Misener made a motion to approve both of the policies as amended. Mr. Damschen clarified that the documents were effectively amended per the Board's discussion, and that the approval of the policies is contingent upon the necessary changes being included. Mr. Nixon seconded the motion. Mr. Lunt, Mr. Duane Madsen and Mr. Damschen voted in favor and the motion passed unanimously.

Record of vote:

Mr. Damschen: Yes

Mr. Lunt: Yes

Mr. Nixon: Yes

Mr. Misener: Yes

Mr. Duane Madsen: Yes

- d. **SCT update** - Mr. Donaldson provided an overview of the recent activities of the School Children's Trust, as well as plans for the upcoming months. Mr. Donaldson noted actions taken by other States programs similar to that of SITFO. He added that the distribution will be \$49.3 million this fiscal year and will be distributed in August.

3. Custodian Recommendation

Ms. Cash and Mr. Kowolik presented the methodology and findings of the custodian search. They recommended that the SITFO staff visit the finalist custodians before making a decision. Mr. Duane Madsen motioned to move forward with the due diligence of the two finalists, select a finalist, and begin the contracting process prior to next meeting. Mr. Misener seconded the motion. Mr. Lunt, Mr. Damschen and Mr. Nixon voted in favor and the motion passed unanimously.

Record of vote:

Mr. Damschen: Yes

Mr. Lunt: Yes

Mr. Nixon: Yes

Mr. Misener: Yes

Mr. Duane Madsen: Yes

4. Asset Allocation

Mr. Barnard and Mr. Center presented an updated analysis of the asset allocation and proposed a long-term strategic allocation. Mr. Misener motioned to approve the long-term strategic allocation and adopt for inclusion in the IPS, Mr. Lunt seconded the motion. Mr. Damschen and Mr. Nixon voted in favor and the motion passed. Mr. Duane Madsen was absent from this portion of the meeting.

Record of vote:

Mr. Damschen: Yes

Mr. Lunt: Yes

Mr. Nixon: Yes

Mr. Misener: Yes

Mr. Duane Madsen: Not Present

5. Investment Review

Mr. Barnard reviewed the asset allocation of the trust funds and noted that the performance reporting transition to FEG is ongoing.

6. Adjourn

Mr. Misener made the motion to adjourn. Mr. Nixon seconded the motion. Mr. Damschen and Mr. Lunt voted in favor. The meeting was adjourned.

Record of vote:

Mr. Damschen: Yes

Mr. Lunt: Yes

Mr. Nixon: Yes

Mr. Misener: Yes

Mr. Duane Madsen: Not Present